

General Assembly

Amendment

February Session, 2006

LCO No. 2667

HB0568402667SR0

Offered by:

SEN. GUNTHER, 21st Dist.

To: House Bill No. 5684

File No.

Cal. No.

"AN ACT CONCERNING REFORM OF THE STATE CONTRACTING PROCESS."

- 1 Strike section 12 in its entirety and renumber the remaining sections
- 2 and internal references accordingly
- 3 After line 1274, insert the following and renumber the remaining
- 4 section accordingly:
- 5 "Sec. 24. Section 4b-3 of the general statutes is repealed and the
- 6 following is substituted in lieu thereof (*Effective October 1, 2006*):
- 7 (a) There is established a State Properties Review Board which shall
- 8 consist of six members appointed as follows: The speaker of the House
- 9 and president pro tempore of the Senate shall jointly appoint three
- 10 members, one of whom shall be experienced in matters relating to
- 11 architecture, one experienced in building construction matters and one
- 12 in matters relating to engineering; and the minority leader of the
- 13 House and the minority leader of the Senate shall jointly appoint three
- 14 members, one of whom shall be experienced in matters relating to the

15 purchase, sale and lease of real estate and buildings, one experienced 16 in business matters generally and one experienced in the management 17 and operation of state institutions. No more than three of said six 18 members shall be of the same political party. One of the members first 19 appointed by the speaker and the president pro tempore shall serve a 20 two-year term, one shall serve a three-year term and one shall serve a 21 four-year term. One of the members first appointed by the minority 22 leaders of the House and Senate shall serve a two-year term, one shall 23 serve a three-year term and one shall serve a four-year term. All 24 appointments of members to replace those whose terms expire shall be 25 for a term of four years and until their successors have been appointed 26 and qualified. If any vacancy occurs on the board, the appointing 27 authorities having the power to make the initial appointment under 28 the provisions of this section shall appoint a person for the unexpired 29 term in accordance with the provisions hereof.

- (b) The chairman of the board shall be compensated two hundred dollars per diem up to a maximum of thirty thousand dollars annually. Other members of the board shall be compensated two hundred dollars per diem up to a maximum of twenty-five thousand dollars annually. The members of the board shall choose their own chairman. No person shall serve on this board who holds another state or municipal governmental position and no person on the board shall be directly involved in any enterprise which does business with the state or directly or indirectly involved in any enterprise concerned with real estate acquisition or development.
- (c) The board may adopt such rules as it deems necessary for the conduct of its internal affairs, in accordance with section 4-167, and may employ an executive director, a real estate examiner, a financial administrative assistant, a secretary, a clerk, and within its budget, such additional employees as it shall deem necessary.
 - (d) Notwithstanding any other statute or special act to the contrary, the Commissioner of Public Works shall be the sole person authorized to represent the state in its dealings with third parties for the

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48 acquisition, construction, development or leasing of real estate for 49 housing the offices or equipment of all agencies of the state or for the 50 state-owned public buildings or realty hereinafter provided for in 51 section 2-90, sections 4b-1 to 4b-5, inclusive, 4b-21, 4b-23, as amended, 52 4b-24, 4b-26, 4b-27, 4b-30 and 4b-32, subsection (c) of section 4b-66, 53 sections 4b-67 to 4b-69, inclusive, 4b-71, 4b-72, 10-95, 10a-72, 10a-89, 54 10a-90, 10a-114, 10a-130, 10a-144, 17b-655, 22-64, 22a-324, 26-3, 27-45, 55 32-1c, 32-39, 48-9, 51-27d and 51-27f, except that the Joint Committee 56 on Legislative Management may represent the state in the planning 57 and construction of the Legislative Office Building and related 58 facilities, in Hartford; the board of trustees of a constituent unit of the 59 state system of higher education may represent the state in the leasing 60 of real estate for housing the offices or equipment of such constituent 61 unit provided no lease payments for such realty are made with funds 62 generated from the general revenues of the state; the Labor 63 Commissioner may represent the state in the leasing of premises 64 required for employment security operations as provided in subsection 65 (c) of section 31-250; the Commissioner of Mental Retardation may 66 represent the state in the leasing of residential property as part of the 67 program developed pursuant to subsection (b) of section 17a-218, as 68 amended, provided such residential property does not exceed two 69 thousand five hundred square feet, for the community placement of 70 persons eligible to receive residential services from the department 71 and the Connecticut Marketing Authority may represent the state in 72 the leasing of land or markets under the control of the authority, and, 73 except for the housing of offices or equipment in connection with the 74 initial acquisition of an existing state mass transit system or the leasing 75 of land by said Marketing Authority for a term of one year or more in 76 which cases the actions of the Department of Transportation and the 77 Marketing Authority shall be subject to the review and approval of the 78 State Properties Review Board. Said commissioner shall have the 79 power to establish and implement any procedures necessary for him to 80 assume his responsibilities as said sole bargaining agent for state realty 81 acquisitions and shall perform the duties necessary to carry out such 82 procedures. He may appoint, within his budget and subject to the

provisions of chapter 67, such personnel deemed necessary by him to carry out the provisions hereof, including experts in real estate, construction operations, financing, banking, contracting, architecture and engineering. The Attorney General's office, at the request of the commissioner, shall assist the commissioner in contract negotiations regarding the purchase, lease or construction of real estate.

- (e) The State Properties Review Board shall be an independent body within the Executive Department.
- (f) The State Properties Review Board shall review real estate acquisitions, sales, leases and subleases, license agreements and any other agreements relating to acquisition or disposal of an interest in <u>real property</u> proposed by the Commissioner of Public Works, the acquisition, other than by condemnation, or the sale, sublease or lease of any property or the entry into any license agreement relating to the property by the Commissioner of Transportation under subdivision (12) of section 13b-4, subject to section 4b-23, as amended, and subsection (h) of section 13a-73 and review, for approval or disapproval, any contract for a project described in subsection (h) of section 4b-91, as amended. Such review shall consider all aspects of the proposed actions, including feasibility and method of acquisition and the prudence of the business method proposed. The board shall also cooperate with and advise and assist the Commissioner of Public Works and the Commissioner of Transportation in carrying out their duties. The board shall have access to all information, files and records, including financial records, of the Commissioner of Public Works and the Commissioner of Transportation, and shall, when necessary, be entitled to the use of personnel employed by said commissioners. The board shall approve or disapprove any acquisition of development rights of agricultural land by the Commissioner of Agriculture under section 22-26cc, as amended.
- (g) The General Assembly may approve legislation authorizing an exception to the review requirements of this section, provided the Governor issues a declaration of emergency requiring such an

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exception and such legislation is approved, in whole, by a three-fifths 116 vote of the members of each house of the General Assembly. In the 117 event that the General Assembly approves legislation authorizing an 118 exception to the review requirements of this section, the State 119 120 Properties Review Board shall have ten days to complete an expedited 121 review of the proposed action and approve or disapprove such action 122 not later than ten days after the enactment of such legislation. Such 123 review shall be conducted in accordance with the provisions of section 124 4b-3.

- Sec. 25. Subsection (i) of section 4b-23 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):
- (i) As used in this subsection, (1) "project" means any state program, except the downtown Hartford higher education center project, as defined in subsection (1) of section 4b-55, as amended, requiring consultant services if (A) the cost of such services is estimated to exceed fifty thousand dollars or, in the case of a constituent unit of the state system of higher education, the cost of such services is estimated to exceed three hundred thousand dollars, or (B) (i) the construction costs in connection with such program are estimated to exceed five hundred thousand dollars or, in the case of a constituent unit of the state system of higher education, other than The University of Connecticut, the construction costs in connection with such program are estimated to exceed two million dollars, and (ii) the cost of a consultant services contract for such program exceeds twenty thousand dollars or the cost of an amendment to a consultant services contract makes the total cost of the amendment, all previous amendments to such contract and the contract exceed twenty thousand dollars for the first time; (2) "consultant" means "consultant" as defined in section 4b-55, as amended; and (3) "consultant services" means "consultant services" as defined in section 4b-55, as amended. Any consultant selected by the commissioner, and any contracts entered into by the commissioner with any consultants for employment, on any project under the provisions of this section, shall be subject to the

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150 approval of the Properties Review Board prior to the employment of 151 said consultant or consultants by the commissioner. The Properties 152 Review Board shall, within thirty days, approve or disapprove the 153 selection of or contract with any consultant made by the Commissioner 154 of Public Works pursuant to sections 4b-1 and 4b-55 to 4b-59, inclusive, 155 as amended. If upon the expiration of the thirty-day period a decision 156 has not been made, the Properties Review Board shall be deemed to 157 have approved such selection or contract. In determining costs for the 158 purposes of this subsection, costs for similar services with respect to a 159 project shall be aggregated.

- 160 Sec. 26. Section 4b-24 of the general statutes is repealed and the 161 following is substituted in lieu thereof (*Effective October 1, 2006*):
- 162 In acting as the determining authority in fulfilling the needs of the 163 various departments and agencies of state government, except the 164 Legislative Department, and choosing the method of acquisition which 165 shall be pursued in the open competitive market, the commissioner 166 shall:
- 167 (1) (A) Compile and maintain comprehensive and complete 168 inventories of all the improved and unimproved real estate available to 169 the state by virtue of ownership or lease. The actual mechanical 170 compilation of such inventories may be handled, at the request of the 171 commissioner, by the Secretary of the Office of Policy and 172 Management; provided such compilation shall be available to the 173 Commissioner of Public Works at all times. Such inventory shall be 174 used by the commissioner as the primary source for meeting state 175 needs, and shall be shared with the review board and with the 176 Secretary of the Office of Policy and Management; (B) prepare an 177 annual inventory of improved and unimproved real estate which is 178 owned by the state and which is unused or underutilized and study 179 and make recommendations concerning the reuse or disposition of 180 such real estate; (C) identify in the inventories required under subparagraphs (A) and (B) of this subdivision, existing buildings that 182 (i) are of historic, architectural or cultural significance, including

buildings listed or eligible to be listed in the national register established under the National Historic Preservation Act of 1966, 80 Stat. 915 (1966), 16 USC 470a, and (ii) would be suitable, whether or not in need of repair, alteration or addition, to meet the public building needs of the state or to meet the needs of the public in accordance with the provisions of subsection (m) of section 4b-23, as amended.

- (2) Whenever realty uses designed uniquely for state use and for periods over five years are concerned, the commissioner shall, whenever practicable, attempt to purchase, lease-purchase or construct on state-owned land. In such cases leases shall be used only when other possibilities have been eliminated as not feasible, in the opinion of the commissioner.
- (3) Whenever the commissioner has established specific plans and specifications for new construction on state land or new construction for sale to the state: (A) If it appears to the commissioner that the cost of the project shall be less than five hundred thousand dollars, contracts shall be made, where practicable, through a process of sealed bidding as provided in section 4b-91, as amended by this act, relating to projects in excess of five hundred thousand dollars; (B) if it appears to the commissioner that the space needs of the requesting agency are less than five thousand square feet, the commissioner shall, whenever practicable, carry on advertising, in accordance with the provisions of section 4b-34 relating to projects in excess of five thousand square feet, in order to allow an equal opportunity for third parties to do business with the state without regard to political affiliation, political contributions or relationships with persons in state, federal or local governmental positions.
- (4) The commissioner may designate projects to be accomplished on a total cost basis for (A) new facilities to provide for the substantial space needs of a requesting agency, (B) the installation of mechanical or electrical equipment systems in existing state facilities, or (C) the demolition of any state facility that the commissioner is authorized to demolish under the general statutes. If the commissioner designates a

project as a designated total cost basis project, the commissioner may enter into a single contract with a private developer which may include such project elements as site acquisition, architectural design and construction. The commissioner shall select a private developer from among the developers who are selected and recommended by the award panels established in this subdivision. All contracts for such designated projects shall be based on competitive proposals received by the commissioner, who shall give notice of such project, and specifications for the project, by advertising, at least once, in a newspaper having a substantial circulation in the area in which such project is to be located. <u>In no case shall the solicitation of competitive</u> proposals for projects by electronic means be substituted for print advertisements. No contract which includes the construction, reconstruction, alteration, remodeling, repair or demolition of any public building for work by the state for which the total cost is estimated to be more than five hundred thousand dollars may be awarded to a person who is not prequalified for the work in accordance with section 4a-100. The commissioner shall determine all other requirements and conditions for such proposals and awards and shall have sole responsibility for all other aspects of such contracts. Such contracts shall state clearly the responsibilities of the developer to deliver a completed and acceptable product on a date certain, the maximum cost of the project and, as a separate item, the cost of site acquisition, if applicable. No such contract may be entered into by the commissioner without the prior approval of the State Properties Review Board and unless funding has been authorized pursuant to the general statutes or a public or special act.

- (5) Whenever a bid is made to the commissioner for any purpose regarding the use of land or whenever any person proposes to sell or lease land to the state, the bidder or such person shall be the owner of the land, or the commissioner shall have the option to void any contract subsequently made with said bidder or third person.
- (6) In all dealings with the commissioner the owner of record or beneficial owner shall be disclosed to the commissioner and the bid

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shall be revealed to the owner of record or beneficial owner or the commissioner shall have the option to void any contract subsequently made concerning any such dealing.

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- (7) After the authorization of a project under the provisions of section 4b-23, as amended, the public auditors of the state and the auditors or accountants of the Commissioner of Public Works shall have the right to audit the books of any contractor employed by the commissioner pursuant to such authorization, or of any party negotiating with the commissioner for the acquisition of land by lease or otherwise; provided, however, that any such audit shall be limited to the project authorized by the commissioner and the Properties Review Board, and provided further that in the case of a party negotiating with the commissioner, such audit may also be conducted after the negotiations have ended, if a contract is consummated with the commissioner.
- Sec. 27. Section 4b-55 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):
- As used in this section, section 4b-1 and sections 4b-56 to 4b-59, inclusive, unless the context clearly requires otherwise:
- (a) "Commissioner" means the Commissioner of Public Works;
- (b) "Consultant" means (1) any architect, professional engineer, landscape architect, land surveyor, accountant, interior designer, environmental professional or construction administrator, who is registered or licensed to practice such person's profession in accordance with the applicable provisions of the general statutes, or (2) any planner or financial specialist;
- (c) "Consultant services" shall include those professional services rendered by architects, professional engineers, landscape architects, land surveyors, accountants, interior designers, environmental professionals, construction administrators, planners or financial

specialists, as well as incidental services that members of these professions and those in their employ are authorized to perform;

- [(d) "University of Connecticut library project" means a project to renovate and improve the Homer Babbidge Library at The University of Connecticut;]
- [(e)] (d) "Firm" means any individual, partnership, corporation, joint venture, association or other legal entity (1) authorized by law to practice the profession of architecture, landscape architecture, engineering, land surveying, accounting, interior design, environmental or construction administration, or (2) practicing the profession of planning or financial specialization;
 - [(f) "Priority higher education facility project" means any project which is part of a state program to repair, renovate, enlarge, equip, purchase or construct (1) instructional facilities, (2) academic core facilities, including library, research and laboratory facilities, (3) student residential or related student dining facilities, or (4) utility systems related to such projects, which are or will be operated under the jurisdiction of the board of trustees of any constituent unit of the state system of higher education, except The University of Connecticut provided the project is included in the comprehensive facilities master plan of the constituent unit pursuant to section 10a-4a or in the most recent state facility plan of the Office of Policy and Management pursuant to section 4b-23;]
 - [(g)] (e) "Project" means any state program requiring consultant services if (1) the cost of such services is estimated to exceed fifty thousand dollars or, in the case of a constituent unit of the state system of higher education, the cost of such services is estimated to exceed three hundred thousand dollars, and (2) the construction costs in connection with such program are estimated to exceed five hundred thousand dollars; or, in the case of a constituent unit of the state system of higher education, other than The University of Connecticut, the construction costs in connection with such program are estimated

313 to exceed two million dollars. In determining costs for the purposes of

- 314 this subsection, costs for similar services with respect to a project shall
- 315 <u>be aggregated</u>;
- [(h)] (f) "Selection panel" or "panel" means the State Construction
- 317 Services Selection Panel established pursuant to subsection (a) of
- 318 section 4b-56 or, in the case of a Connecticut Health and Education
- 319 Facilities Authority project pursuant to section 10a-186a, as amended,
- 320 means the Connecticut Health and Education Facilities Authority
- 321 Construction Services Panel established pursuant to subsection (c) of
- 322 section 4b-56; and
- 323 [(i)] (g) "User agency" means the state department or agency
- 324 requesting the project or the agency for which such project is being
- 325 undertaken pursuant to law. [;]
- 326 [(j) "Community court project" means (1) any project to renovate
- 327 and improve a facility designated for the community court pilot
- 328 program established pursuant to section 51-181c, and (2) the
- 329 renovation and improvement of other state facilities required for the
- 330 relocation of any state agency resulting from the placement of the
- 331 community court;
- (k) "Connecticut Juvenile Training School project" means a project
- 333 (1) to develop on a designated site new facilities for a Connecticut
- 334 Juvenile Training School in Middletown including, but not limited to,
- 335 preparing a feasibility study for, designing, constructing,
- 336 reconstructing, improving or equipping said facility for use by the
- 337 Department of Children and Families, which is an emergency project
- 338 because there is an immediate need for completion of said project to
- 339 remedy overcrowding at Long Lane School; said school shall have an
- annual average daily population of not more than two hundred forty
- residents; or (2) to develop a separate facility for girls including, but
- 342 not limited to, acquiring of land or buildings, designing, constructing,
- reconstructing, improving or equipping said facility for use by the
- 344 Department of Children and Families;

(l) "Downtown Hartford higher education center project" means a project to develop a higher education center, as defined in subparagraph (B) of subdivision (2) of section 32-600, and as described in subsection (a) of section 32-612, for the regional communitytechnical college system;

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- (m) "Correctional facility project" means any project (1) which is part of a state program to repair, renovate, enlarge or construct facilities which are or will be operated by the Department of Correction, and (2) for which there is an immediate need for completion in order to remedy prison and jail overcrowding; and
- (n) "Juvenile detention center project" means any project (1) which is part of a state program to repair, renovate, enlarge or construct juvenile detention centers which are or will be operated by the Judicial Department, and (2) for which there is an immediate need for completion in order to remedy overcrowding.]
- Sec. 28. Section 4b-56 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):
- 362 (a) There shall be established within the Department of Public 363 Works a State Construction Services Selection Panel which shall consist 364 of five members. Four of such members shall be appointed by the 365 commissioner, shall be current or retired employees of the Department 366 of Public Works and shall serve for terms of one year from July first. 367 The remaining member shall be appointed by the head or acting head 368 of the user agency and shall serve only for deliberations involving the 369 project for which he was appointed. If any vacancy occurs on the 370 panel, the commissioner shall appoint a person for the unexpired term 371 in accordance with the provisions of this subsection.
- 372 (b) The selection panel shall not be deemed to be a board or commission within the meaning of section 4-9a, as amended.
- 374 (c) There shall be established within the Department of Public 375 Works a Connecticut Health and Education Facilities Authority

Construction Services Panel which shall consist of five members: Three of whom shall be appointed by the Commissioner of Public Works and shall be current employees of the Department of Public Works; and the remaining members shall be appointed by the head or acting head of the user agency and shall serve only for deliberations involving the project for which such member was appointed. The members of the selection panel appointed by the Commissioner of Public Works shall serve for terms of one year from July first. If any vacancy occurs on the panel, the Commissioner of Public Works or the head or acting head of the user agency, as appropriate, shall appoint a person for the unexpired term in accordance with the provisions of this subsection.

- (d) The panel established pursuant to subsection (c) of this section shall not be deemed to be a board or commission within the meaning of section 4-9a, as amended. Such panel shall be the selection panel only for Connecticut Health and Education Facilities Authority projects pursuant to section 10a-89b.
- (e) No person having a beneficial interest in any of the bidding
 entities or whose family members are employees of, or have such an
 interest in a bidding entity, shall be appointed to, or supervise the
 activities of, the Selection Panel or Construction Services Panel.
 - Sec. 29. Subsection (a) of section 4b-57 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):
 - (a) Whenever consultant services are required by the commissioner in fulfilling his responsibilities under section 4b-1, and in the case of each project, the commissioner shall invite responses from such firms by advertisements inserted at least once in one or more newspapers having a circulation in each county in the state. The commissioner shall prescribe, by regulations adopted in accordance with chapter 54, the advance notice required for, the manner of submission, and conditions and requirements of, such responses. In no case shall the solicitation of competitive proposals for consultant services or projects by electronic

408 means be substituted for print advertisements.

Sec. 30. Section 4b-58 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) [(1) Except in the case of a project, a priority higher education facility project, a project, as defined in subdivision (16) of section 10a-109c, undertaken by The University of Connecticut, a community court project, a correctional facility project, a juvenile detention center project, and the downtown Hartford higher education center project, the commissioner shall negotiate a contract for consultant services with the firm most qualified, in the commissioner's judgment, at compensation which the commissioner determines is both fair and reasonable to the state. (2)] In the case of a project, the commissioner shall negotiate a contract for such services with the most qualified firm from among the list of firms submitted by the panel at compensation which the commissioner determines in writing to be fair and reasonable to the state. If the commissioner is unable to conclude a contract with any of the firms recommended by the panel, the commissioner shall, after issuing written findings of fact documenting the reasons for such inability, negotiate with those firms which the commissioner determines to be most qualified, at fair and reasonable compensation, to render the particular consultant services under consideration. [(3) Whenever consultant services are required for a priority higher education facility project, a community court project, a correctional facility project, a juvenile detention center project, or the downtown Hartford higher education center project, the commissioner shall select and interview at least three consultants or firms and shall negotiate a contract for consultant services with the firm most qualified, in the commissioner's judgment, at compensation which the commissioner determines is both fair and reasonable to the state, except that if, in the opinion of the commissioner, the Connecticut Juvenile Training School project needs to be expedited in order to meet the needs of the Department of Children and Families, the commissioner may waive such selection requirement. Except for the

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downtown Hartford higher education center project, the] The commissioner shall notify the State Properties Review Board of the commissioner's action not later than five business days after such action for its approval or disapproval in accordance with subsection (i) of section 4b-23, as amended, except that if, not later than fifteen days after such notice, a decision has not been made, the board shall be deemed to have approved such contract. If the commissioner fails to so notify the board within five business days, the board shall be deemed to have disapproved such contract.

(b) In determining fair and reasonable compensation to be paid in accordance with subsection (a) of this section, the commissioner shall consider, in the following order of importance, the professional competence of the consultant, the technical merits of the proposal, the ability of the firm to perform the required services within the time and budgetary limits of the contract and the price for which the services are to be rendered."